



September 7, 2010

### CONGRESS APPROVES EDUCATION JOBS FUND

**Education Jobs Fund.** Congress approved, and the President signed, the Education Jobs Fund Program in early August. The Program provides \$10.0 billion to states to save or create education jobs during the 2010-2011 school year. Iowa's allocation amount is \$96.5 million. Iowa submitted the application to receive Education Jobs Funds on August 24, 2010. If Iowa's application is approved, school districts could potentially receive Education Jobs funds beginning in September 2010. School districts will receive an allocation of approximately \$174.92 per pupil (on a weighted enrollment basis).

**School District Allocations.** The Legislative Services Agency (LSA) has posted school district allocations and the estimated potential number of full-time teachers that districts could hire with the funds at: [http://www.legis.iowa.gov/DOCS/lsaReports/k12Education/LSA\\_EduJobs\\_AllocationEst\\_082410.pdf](http://www.legis.iowa.gov/DOCS/lsaReports/k12Education/LSA_EduJobs_AllocationEst_082410.pdf)

**More Information.** Additional information regarding the Education Jobs Fund Program is available on the Iowa Department's website at:  
[http://www.iowa.gov/educate/index.php?option=com\\_content&view=article&id=2028%3Aeducation-jobs-fund-ed-jobs&catid=48%3Aschool-business-a-finance&Itemid=1](http://www.iowa.gov/educate/index.php?option=com_content&view=article&id=2028%3Aeducation-jobs-fund-ed-jobs&catid=48%3Aschool-business-a-finance&Itemid=1)

STAFF CONTACT: Shawn Snyder (515-281-7799) [shawn.snyder@legis.state.ia.us](mailto:shawn.snyder@legis.state.ia.us)

### STATE GOVERNMENT REORGANIZATION ACT UPDATE

**Government Reorganization Update.** Senate File 2088 (State Government Reorganization and Efficiency Act) included multiple requirements and reports. The Fiscal Services Division of the LSA intends to provide a monthly update regarding action on items as the information becomes available. The following list contains results for recent items:

- Section 25 requires the Department of Cultural Affairs (DCA) to conduct an Electronic Records Study. The DCA plans to submit a draft report to the Records Commission on October 14.
- Section 65 requires certain vacant funded full-time equivalent (FTE) positions to be eliminated in FY 2011. The Department of Management (DOM) has initiated a working group to address the tracking of vacant FTE positions.
- Section 66 requires each appropriations subcommittee to annually review fees charged by departments within the purview of the subcommittee. The LSA has distributed a detailed spreadsheet to all departments to gather the information needed for the review.
- Section 82 requires the Department of Administrative Services (DAS) to undertake a property survey and conduct the sale of property. The survey is underway. The Department of Human Services (DHS) and the Department of Corrections (DOC) have identified two small parcels of land that could be sold. The revenue from the sale of property is to be deposited in the General Fund. The LSA estimated that \$13.8 million could be generated from the sales in FY 2011. However, the two parcels that have been identified to date will not result in \$13.8 million of revenue.

IN THIS ISSUE:	
August Medicaid Forecast, page 2	Appropriation Transfers, page 7
State Appeals Board Summary, page 4	Appropriation Allocation Changes, page 7
Child Care and Adoption Subsidy, page 5	Board of Corrections Meetings, page 8
Cash Flow Transfer Notice, page 6	Meetings Monitored, page 9

- Section 281 requires the Early Childhood Iowa State Board to issue a report by January 1, 2011. The Board has made progress in their reorganization efforts relating to local boards merging and developing levels of excellence.
- Sections 311 and 312 required studies by the Community College Accreditation Advisory Committee. A subcommittee has met and plans to submit proposed recommendations to the Committee at a September meeting.
- Section 349 requires the DHS to adopt administrative rules relating to mental health medications no earlier than January 1, 2011. The DHS has met with various entities, issued proposed rules, held a public hearing in August, and proposed a discussion of the preferred drug list at the November meeting of the Pharmaceutical and Therapeutics Committee.
- Sections 412 and 413 required the closure of DOC Farm 1 by July 1, 2010, and the closure of Farm 3 by January 1, 2011. The DOC reports that both Farms have been closed and the designed capacity has been reduced by 180 beds.

STAFF CONTACT: Sue Lerdal (515-281-7794) [sue.lerdal@legis.state.ia.us](mailto:sue.lerdal@legis.state.ia.us)

**AUGUST MEDICAID FORECAST**

**Forecasting Group.** Staff members from the DHS, DOM, and the Fiscal Services Division of the LSA met on August 27, 2010, to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2010 and FY 2011. The forecasting group meets monthly to discuss estimated expenditures and agree on a range for the current and upcoming fiscal years.

<b>Medicaid Balance Sheet</b>		
	<i>Estimated FY2010</i>	<i>Estimated FY2011</i>
<b>Medicaid Funding</b>		
Carryforward from Previous Year	\$ 36,587,215	\$ 51,500,000
Behavioral Health Account Carryforward	2,136,721	2,083,557
Health Care Trust Fund	100,650,740	106,916,532
Nursing Facility Quality Assurance Fund	2,300,000	34,820,340
Hospital Trust Fund	0	39,406,000
Cash Reserve Fund	0	172,800,000
Senior Living Trust Fund	17,366,939	39,080,435
Transfer from Decat Waiver Waiting List	0	1,925,000
Veterans Transfer to Hospital Rebase	1,833,333	0
Other Transfers	-3,774,367	0
ARRA Federal Recovery & Reinvestment Fund to MHIs	25,874,211	0
Property Tax Relief Transfer	3,271,911	0
<b>Total Non-General Fund for Medicaid</b>	<b>\$ 186,246,703</b>	<b>\$ 448,531,864</b>
General Fund Appropriation	\$ 590,459,096	\$ 393,683,227
Covering All Children	47,523	2,297,649
<b>Total All General Fund Sources</b>	<b>\$ 590,506,619</b>	<b>\$ 395,980,876</b>
<b>Total Medicaid Funding</b>	<b>\$ 776,753,322</b>	<b>\$ 844,512,740</b>
<b>Total Estimated State Medicaid Need</b>	<b>\$ 948,840,743</b>	<b>\$ 1,077,224,722</b>
ARRA FMAP	-223,587,421	-113,157,244
ARRA 6x-month Extension (Including Clawback)	0	-84,554,738
<b>Total Estimated Medicaid Need</b>	<b>\$ 725,253,322</b>	<b>\$ 879,512,740</b>
<b>Midpoint of Balance/ (Under Funded)</b>	<b>\$ 51,500,000</b>	<b>\$ -35,000,000</b>

ARRA - American Reinvestment and Recovery Act

**FY 2010 Range.** For FY 2010, the forecasting group agreed to a surplus range of \$48.0 million to \$55.0 million, with a midpoint of \$51.5 million. The range includes the 6.2% ARRA Federal Medical Assistance Percentage (FMAP) adjustment and both tier one and two unemployment FMAP increases. In addition, the range now includes the Medicare Part D clawback ARRA increase for FY 2009 and FY 2010. Any funds remaining at the end of the fiscal year will carry forward to supplement FY 2011.

**FY 2011 Range.** For FY 2011, the forecasting group agreed Medicaid will have a supplemental need of \$20.0 million to \$50.0 million, with a midpoint of a \$35.0 million supplemental need. The range includes the 6.2% FMAP increase, including tier two of the FMAP unemployment increase through the first six months of FY 2011 and the phased-out FMAP extension estimated at \$84.6 million, recently approved by Congress and signed by the President. In addition, the range takes into account a reduction of \$18.8 million for a lower State contribution for the Medicare Part D clawback payment to the federal government. The range also includes a \$15.0 million cash flow transfer from the Cash Reserve appropriation to Medicaid for the newly created Iowans Helping Iowans Program. It is assumed that legislative action will be required to restore the transferred funds.

**Phase-Out FMAP Extension Enacted.** The United States Congress recently approved, and the President signed, legislation to extend the ARRA FMAP by six months, through the end of FY 2011. The extension reduces the enhanced FMAP rate from 6.2% to 3.1% from January to March of 2011, with another reduction to 1.2% from April through June of 2011. The FMAP extension is estimated to save the Medicaid budget \$84.6 million over the second half of FY 2011. However, this is \$39.3 million less than the amount that would have been saved if the full extension had been approved. Iowa assumed the full savings when calculating the FY 2011 budget.

**Temporary IowaCare Extension.** The Iowa Medicaid Enterprise has received an additional one-month temporary extension for the IowaCare Waiver while the final details of a longer extension are being worked out with the Center for Medicare and Medicaid Services (CMS). Approval has been granted by CMS to implement all time-sensitive proposals of the extension on July 1 such as the hospital provider tax, new certified public expenditures methodology, and reimbursing physicians at the University of Iowa.

**New Drug Rebate Law.** As part of the federal Patient Protection and Affordable Care Act of 2010, the federal government has changed the law regarding drug rebates to recoup additional funds that are currently being paid to the State. Drug manufacturers have until October 1, 2010, to implement mandated changes in their drug pricing. As a result, both the FY 2010 and FY 2011 impact of this change will occur in FY 2011. The most recent information provided by the federal government estimates that this change will cost the Medicaid Program \$1.6 million in FY 2010 and \$3.7 million in FY 2011.

**Enrollment Increase.** Medicaid continues to see rapid enrollment growth. In FY 2009, the Program added a total of 31,794 individuals, including 25,935 children. In FY 2010, the Program added an additional 27,164 individuals, including 19,286 children. In the first two months of FY 2011, the Program has added 3,349 individuals for a total program enrollment of 375,905.

Medicaid Enrollment Increases/ (Decreases) for FY 2011					
FY2011	Children	Adults	Aged	Disabled	Total
July	149	279	-106	117	439
August	1,471	1,034	68	337	2,910
Total	1,620	1,313	-38	454	3,349

STAFF CONTACT: Jess Benson (515-281-4611) [jess.benson@legis.state.ia.us](mailto:jess.benson@legis.state.ia.us)

**STATE APPEALS BOARD SUMMARY**

**Appeals Board.** The State Appeals Board is comprised of the Director of the DOM, the State Auditor, and the State Treasurer. Code Chapter 25 authorizes the State Appeals Board to approve payment for claims against the State. The following table shows the amount paid on behalf of State agencies for settlements and judgments over the last five fiscal years. A total of \$6.9 million was paid from the General Fund for FY 2010. The total for FY 2008 is significantly larger than most years and reflects large settlements paid in eight different lawsuits brought against the State as a result of the elimination of the Iowa Lottery Authority's TouchPlay Program in 2005. The settlements ranged from \$144,000 to \$10.4 million.

Department Names	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5-YEAR TOTAL
Administrative Services (DAS)	\$ 0	\$ 88,000	\$ 0	\$ 1,800	\$ 175,000	\$ 264,800
Agriculture	42,000	0	0	0	0	\$ 42,000
Attorney General's Office	0	12,000	0	1,000	0	\$ 13,000
Corrections						\$ 0
Administration	406,946	577,317	38,615	110,679	32,500	\$ 1,166,057
Anamosa State Penitentiary	0	0	7,700	533	0	\$ 8,233
Clarinda Correctional Facility	0	0	9,900	0	0	\$ 9,900
Fort Dodge Correctional Facility	0	0	0	0	0	\$ 0
Correct. Inst. for Women (Mitchellville)	35,000	0	0	141,533	72,000	\$ 248,533
Iowa Medical Classification Center	0	228	30,000	0	93,281	\$ 123,509
Iowa State Penitentiary	643	6,115	10,730	5,100	0	\$ 22,587
Mt. Pleasant Correctional Facility	3,683	1,300	3,914	321	0	\$ 9,218
Newton Correctional Facility	0	0	90,000	23,600	21,300	\$ 134,900
<i>Corrections Total</i>	<i>446,272</i>	<i>584,960</i>	<i>190,859</i>	<i>281,766</i>	<i>219,081</i>	<i>\$ 1,722,937</i>
Education-Administration	200,684	10,000	0	0	0	\$ 210,684
Education-Voc Rehab	710	175,055	0	0	0	\$ 175,765
<i>Education Total</i>	<i>0</i>	<i>185,055</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$ 185,055</i>
Governor's Office/Secretary of State	0	0	11,000	0	0	\$ 11,000
Human Services						\$ 0
Administration	58,000	180,000	27,691	15,000	197,316	\$ 478,007
Cherokee Mental Health Institute	19,000	0	0	0	0	\$ 19,000
Glenwood Resource Center	480,000	0	0	94,055	246,079	\$ 820,134
Woodward Resource Center	50,000	102,780	0	0	0	\$ 152,780
<i>Human Services Total</i>	<i>607,000</i>	<i>282,780</i>	<i>27,691</i>	<i>109,055</i>	<i>443,395</i>	<i>\$ 1,469,921</i>
Inspections & Appeals	65,000	0	5,000	0	0	\$ 70,000
Iowa Communications Network (ICN)	0	0	0	100	0	\$ 100
Iowa Lottery Authority	0	1,671,371	15,827,022	92,500	600,000	\$ 18,190,892
Iowa State Fair Authority	9,000	27,200	0	0	0	\$ 36,200
Iowa Veterans Home	0	0	75,000	0	0	\$ 75,000
Judicial Department	107,691	3,500	0	0	167,000	\$ 278,191
Natural Resources	100,714	31,619	67,598	34,606	37,027	\$ 271,564
Public Defense	1,102,000	1,043,000	3,284,864	0	0	\$ 5,429,864
Public Defense/Military	32,500	1,300,000	0	0	0	\$ 1,332,500
Public Safety	4,000	0	205,200	622,765	31,000	\$ 862,965
Regents						\$ 0
Iowa State University	1,972,108	45,000	369,423	438,505	269,900	\$ 3,094,936
University of Iowa	375,844	0	1,438,250	75,000	130,000	\$ 2,019,094
University of Iowa Hospitals & Clinics	507,296	1,462,478	1,193,007	1,093,031	4,672,551	\$ 8,928,363
University of Northern Iowa	500,000	5,000	36,000	48,184	0	\$ 589,184
<i>Regents Total</i>	<i>3,355,248</i>	<i>1,512,478</i>	<i>3,036,680</i>	<i>1,654,721</i>	<i>5,072,451</i>	<i>\$ 14,631,577</i>
Workforce Development	148,155	0	800,000	-245,500	110,002	\$ 812,657
<b>TOTAL</b>	<b>\$ 6,221,012</b>	<b>\$ 6,741,962</b>	<b>\$ 23,530,913</b>	<b>\$ 2,552,812</b>	<b>\$ 6,854,956</b>	<b>\$ 45,901,654</b>
Transportation (Primary Road Fund)	\$ 5,000	\$ 77,000	\$ 150,000	\$ 0	\$ 0	\$ 232,000

STAFF CONTACT: Joseph Brandstatter (515-281-8223) [joseph.brandstatter@legis.state.ia.us](mailto:joseph.brandstatter@legis.state.ia.us)

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## CHILD CARE AND ADOPTION SUBSIDY PROGRAMS FY 2010 AND FY 2011 PROJECTIONS

**Projections Workgroup.** Staff from the DOM, the DHS, and the Fiscal Services Division of the LSA met July 21 to discuss estimated Child Care and Adoption Subsidy expenditures for FY 2010 and FY 2011. The projections workgroup is established in Code Section 234.47 to estimate the expenditures and revenues for these programs.

### Child Care Subsidy Program

**FY 2010.** House File 811 (FY 2010 Health and Human Services Appropriations Act) included State funding of \$37.9 million for Child Care Assistance. This is a decrease of \$2.5 million compared to the estimated net FY 2009. On October 8, 2009, the Governor signed Executive Order Number 19 that implemented an across-the-board reduction of 10.0% for General Fund appropriations (and carryover amounts from FY 2009). This reduction decreased the State funding for Child Care Assistance by \$5.4 million for an estimated net total for FY 2010 of \$32.5 million.

**FY 2010 Range.** For FY 2010 the projections workgroup agreed to an estimated range of a surplus of \$4.0 million to \$6.0 million with a midpoint of a \$5.0 million surplus that will carryforward for FY 2011.

**Federal Stimulus Funding.** On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA) of 2009. The Act provided an increase of approximately \$18.1 million for the Iowa allocation for the federal FY 2009 Child Care Development Block Grant. The funding is available through FY 2011. The targeted funds for quality expansion and infant and toddler care of approximately \$2.4 million have been appropriated for FY 2010 and FY 2011 in HF 820 (FY 2010 Federal Funds Appropriations Act). The unexpended balance of \$15.8 million was appropriated to the DHS for the Child Care Subsidy Program for FY 2011 in HF 2526 (FY 2011 Health and Human Appropriations Act).

**FY 2011.** House File 2526 included State funding of \$32.3 million for Child Care Assistance. This is a decrease of \$221,500 compared to estimated net FY 2010.

**FY 2011 Range.** For FY 2010 the projections workgroup agreed to an estimated range of zero (no surplus but no need) to a surplus of \$2.0 million with a midpoint of a \$1.0 million surplus that will carryforward for FY 2012. The projected surplus is achieved due to \$6.1 million in funding that will be directed to Child Care Assistance in FY 2011 from the Emergency Temporary Assistance for Needy Families (TANF) Fund. Permission for this transfer of funding is provided in HF 2526 (FY 2011 Health and Human Services Appropriations Act). The TANF provisions in the ARRA created a new and temporary TANF Emergency Fund for increased expenditures in basic assistance, short-term nonrecurring benefits, and subsidized employment. Iowa was able to draw down \$30.0 million in one-time funding from the federal Fund to be used for various programs for FY 2011. The funding available in FY 2011 due to all of the ARRA provisions will need to be replaced by State funding in FY 2012 in order to avoid program shortfalls.

### Adoption Subsidy Program

**FY 2010.** House File 811 included State funding of \$34.9 million for the Adoption Subsidy Program. This is an increase of \$2.4 million compared to estimated net FY 2009. Executive Order Number 19, signed by Governor Culver on October 8, 2009, decreased the Adoption Subsidy Program appropriation by \$3.5 million for an estimated net total for FY 2010 of \$31.4 million.

**FY 2010 Range.** For FY 2010 the projections workgroup agreed to an estimated range of a surplus of \$400,000 to \$860,000 with a midpoint of \$623,000 that will be reverted to the General Fund for FY 2011.

**Federal Stimulus Funding.** The ARRA provided a 6.2% increase in the Federal Medical Assistance Percentage (FMAP) match over 27 months, beginning in October of State FY 2009. This increase also impacts IV-E Federal matching funds resulting in an increase in the FMAP formula to offset State dollars needed to fund the Adoption Subsidy Program. For FY 2010, the 6.2% FMAP increase was available for all 12 months and it is estimated to offset State funds needed by \$3.3 million. For FY 2011, the increase is scheduled to end by December 31, 2010. However, President Obama recently signed the Air Transportation Modernization and Safety Improvement Act that included an extension of the ARRA FMAP increase. The provision in the legislation phases out the percentage increase in the last two quarters of State FY 2011. For the third quarter of FY 2011, instead of the 6.2%, states will receive a 3.2% increase in additional FMAP percentage. This will decrease again to a 1.2% increase in the fourth quarter. This will reduce the funding available for Adoption Subsidy in FY 2011. The projections workgroup will incorporate this development in their next meeting scheduled for November 19.

**FY 2011.** House File 2526 included State funding of \$32.3 million for the Adoption Subsidy Program. This is an increase of \$886,000 compared to estimated net FY 2010.

**FY 2011 Range.** For FY 2011 the projections workgroup agreed to an estimated range of a surplus of zero (no surplus but no need) to a surplus of \$780,000.

**Next Meeting.** The Child Care and Adoption Subsidy projections workgroup will meet again on November 19.

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STAFF CONTACT: Deborah Helsen (515-281-6764) [deborah.helsen@legis.state.ia.us](mailto:deborah.helsen@legis.state.ia.us)

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### **CASH FLOW TRANSFER NOTICE**

**Transfer Notice.** The LSA received a Cash Flow Transfer Notice for FY 2011 from the DOM. The DOM intends to transfer a total of \$20.0 million as follows:

- \$15.0 million from the Cash Reserve Fund appropriation to the Medical Assistance (Medicaid) Program.
- \$5.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) appropriation to the Iowa Values Fund.

Iowa Code Sections 8.56(1) and 8.57(60)(b) allow the Cash Reserve Fund and RIIF balances to be used for the General Fund cash flow in a single fiscal year. These funds are required to be returned to the two Funds prior to the close of that fiscal year.

The funds will be used for the Governor's new Iowans Helping Iowans Program (flood relief) as follows:

- \$7.5 million for housing assistance by the Iowa Finance Authority.
- \$7.5 million for small business assistance by the Department of Economic Development (DED).
- \$5.0 million for unmet needs by the DHS.

The General Assembly will need to take action to address the impact of this Notice during the 2011 Legislative Session

STAFF CONTACTS: Sue Lerdal (515-281-7794) [sue.lerdal@legis.state.ia.us](mailto:sue.lerdal@legis.state.ia.us)  
Jess Benson (515-281-4611) [jess.benson@legis.state.ia.us](mailto:jess.benson@legis.state.ia.us)  
Ron Robinson (515-281-6256) [ron.robinson@legis.state.ia.us](mailto:ron.robinson@legis.state.ia.us)  
Dave Reynolds (515-281-6934) [dave.reynolds@legis.state.ia.us](mailto:dave.reynolds@legis.state.ia.us)

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## APPROPRIATION TRANSFERS FOR FY 2010

**Appropriation Transfers.** The Fiscal Services Division of the LSA received notification of the follow transfers of funds pursuant to Code Section 8.39 for FY 2010:

- **Civil Rights Commission.** A General Fund appropriation transfer of \$47,100 to the Civil Rights Commission from the Military Division of the Department of Public Defense. The transfer was requested due to lack of reimbursement from the Equal Employment Opportunity Commission (EEOC). The annual EEOC contract is approximately \$600,000 while the Civil Rights Commission received \$2,900. The Commission is currently negotiating the FFY 2010 contract. The funds being transferred were available from the Military Division of the Department of Public Defense because of fewer than budgeted State active duty days for the Iowa National Guard. STAFF CONTACT: Beth Lenstra (515-281-6301) [beth.lenstra@legis.state.ia.us](mailto:beth.lenstra@legis.state.ia.us)
- **Public Employment Relations Board (PERB).** A General Fund appropriation transfer of \$10,400 to the PERB from the DED Community Development Block Grant Rural Resource Coordination Program. The transfer was requested due to a budget shortfall during FY 2010 arising primarily from the 10.0% across-the-board (ATB) reduction and the number of mediations that took place late in the fiscal year causing additional expense for ad hoc mediators. The FY 2010 ATB for PERB was approximately \$117,000. The funds being transferred were available because staff time was reallocated for staffing the natural disasters and the staff time was funded from non-General Fund sources. STAFF CONTACT: Ron Robinson (515-281-6256) [ron.robinson@legis.state.ia.us](mailto:ron.robinson@legis.state.ia.us)
- **Department of Transportation.** The Department of Transportation submitted a notice to transfer \$155,000 within the Primary Road Fund. The transfer is necessary to cover the fourth quarter billing for unemployment compensation due to higher than anticipated claims. Funds will be transferred from the Indirect Cost Recovery and DAS Utility Services budget units, \$150,000 and \$5,000 respectively, to the Unemployment Compensation budget unit. Unemployment Compensation received an FY 2011 total appropriation of \$145,000, mostly from the Primary Road Fund, that represented no change compared to FY 2010. STAFF CONTACT: Marcia Tannian (515-281-7942) [marcia.tannian@legis.state.ia.us](mailto:marcia.tannian@legis.state.ia.us)

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## APPROPRIATION ALLOCATION CHANGES FOR FY 2010

**Allocation Transfers.** Senate File 475 (FY 2010 Justice System Appropriations Act) requires notification to be provided for changes in appropriation allocations for FY 2010. The LSA has received notice of the following allocation changes:

- **Department of Public Safety.** A transfer of \$480,000 within Divisions of the Department of Public Safety. The reallocation transfer was requested due to a shortfall in resources of the Division of Criminal Investigation that resulted in the difference between the across-the-board reduction mandated by Executive Order Number 19 and the savings achieved through mandatory unpaid days negotiated with organized labor and the furloughs mandated for noncontract employees. The funds are being transferred as follows:
  - \$480,000 to the Division of Criminal Investigation
  - \$107,500 from Administrative Services Division
  - \$50,000 from the Division of Narcotics Investigation
  - \$7,500 from the State Fire Marshal's Office
  - \$315,000 from the Iowa State Patrol
- **Department of Corrections (DOC).** A transfer of \$132,755 from the Iowa Medical Classification Center at Oakdale to the County Confinement Account. The Oakdale facility had funds available to transfer due to salary savings from vacant positions. The County Confinement Account is a State appropriation that reimburses counties for holding alleged violators of conditions of release for parole, work release, and Operating While Intoxicated (OWI) status. The DOC reimburses counties up to \$50 per day per offender. This transfer brings the total reduction for the FY 2010 budget for Oakdale to \$664,500. Transfers were made to the North Central Correctional Facility (\$145,000), the Federal Prisoners Reimbursement Account (\$230,000), the County Confinement Account (\$133,000), and the 10.0% ATB was \$156,500.

- **Department of Inspections and Appeals.** A transfer of \$65,000 from the Office of the State Public Defender to the Indigent Defense Fund.

STAFF CONTACTS: Jennifer Acton (515-281-7846) [jennifer.acton@legis.state.ia.us](mailto:jennifer.acton@legis.state.ia.us)  
Beth Lenstra (515-281-6301) [beth.lenstra@legis.state.ia.us](mailto:beth.lenstra@legis.state.ia.us)

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## **BOARD OF CORRECTIONS MEETINGS**

**August 6 Board Meeting.** The Board of Corrections met August 6 at the Davenport Residential Facility. Jim Wayne, Director of the Seventh Judicial District Department of Correctional Services, welcomed the Board and guests to the new facility. The old building will be torn down and converted to parking spaces once the new facility is fully operational.

**Staffing.** John Baldwin, Director of the Department of Corrections (DOC), informed the Board that the Department is in the process of hiring 220 staff across the Institutions and Community-Based Corrections (CBC) District Departments. The Department has had a good response to recruiting and has held four pre-service training classes.

**Mental Health.** The DOC continues to work with the DHS on mental health issues. The mentally ill offender population continues to grow and is becoming a huge issue for the DOC.

**Response to Supreme Court Ruling.** The DOC is negotiating a response with the Office of the Attorney General and the Civil Rights Commission regarding the recent Iowa Supreme Court ruling (Renda vs. Iowa Civil Rights Commission). The Supreme Court ruled that an inmate may be considered an employee for purposes of the Civil Rights Act. The ruling could have a significant impact on the workload of the Civil Rights Commission and the DOC, primarily in Iowa Prison Industries. A request has been submitted to the Supreme Court for a rehearing.

**FY 2012 Budget Request.** Deputy Director Brad Hier stated the DOM has not yet provided budget guidelines for FY 2012. He indicated the DOC will be requesting staff for the Mitchellville and Fort Madison facilities in FY 2012, FY 2013, and FY 2014. The facilities are currently under construction. The DOC's capital budget request will include funds for one-time costs at Mitchellville and Fort Madison plus construction costs for additional CBC beds in Burlington and Ames, and one-stop shops in Des Moines and Waterloo.

**Inmate Education.** The Board approved the FY 2011 budget of \$750,000 for inmate education from the Telephone Rebate Fund. This is the only approved expenditure from this Fund for FY 2011. The DOC is reviewing options for providing these services in FY 2011. The FY 2010 budget was \$1.2 million and included:

- \$750,000 for inmate education.
- \$150,000 for inmate legal services.
- \$166,000 for victim coordination.
- \$45,000 for mental health Step Program.
- \$75,000 for a religious coordinator.
- \$44,000 for administration of the Inmate Telephone Fund.
- \$1,000 for translation services.

**August 27 Board Meeting.** The Board met August 27 in Clarinda. Superintendent Mark Lund welcomed the Board and guests to the facility. This location is a shared campus with the DHS Mental Health Institute.

**Housing Closures.** Director Baldwin indicated to the Board that prison housing units at the following locations have been closed due to budget reductions: Mitchellville, Clarinda, Mount Pleasant, Anamosa,

and Farms One and Three at Fort Madison. The Department will consider re-opening some of these units in the future. There is a significant shortage of minimum-security beds.

**Ex-Offender Reentry Coordinating Council.** Elizabeth Buck, Director of Iowa Workforce Development, updated the Board on the draft report of the Ex-Offender Reentry Coordinating Council. The Council was created by Executive Order Number 15 to provide a plan for coordinated assistance to offenders leaving the prison system so as to reduce recidivism.

**Round Table Discussion.** The Board held a round table discussion with staff regarding the future of the Department at both of these meetings. Items discussed include mental health, staffing, offender re-entry, minimum security beds, inmate labor, availability of treatment options in rural areas of the State, and disproportionate representation of minorities in the corrections system.

STAFF CONTACT: Beth Lenstra (515-281-6301) [beth.lenstra@legis.state.ia.us](mailto:beth.lenstra@legis.state.ia.us)

### MEETINGS MONITORED

Following is a list of meetings recently attended and monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
School Budget Review Committee	6/25/10	Shawn Snyder (1-7799)
Benefits Advisory Committee	8/2/10	Jen Acton (1-7846)
Board of Regents	8/5/10	Dwayne Ferguson (1-6561)
State Soil Conservation Committee	8/5/10	Deb Kozel (1-6767)
Board of Corrections	8/6/10	Beth Lenstra (1-6301)
Iowa E-Health Advisory Council	8/6/10	Deborah Helsen (1-6764)
Business Disaster Case Management Task Force	8/10/10	Joe Brandstatter (1-8223) Sue Lerdal (1-7794)
Child Welfare Advisory Committee	8/10/10	Deborah Helsen (1-6764)
Smart Planning Task Force	8/11/10	Marcia Tannian (1-7942) Sue Lerdal (1-7794) Deb Kozel (1-6767)
Direct Care Worker Advisory Council	8/12/10	Deborah Helsen (1-6764)
Natural Resource Commission	8/12/10	Deb Kozel (1-6767)
Administrative Rules Review Committee	8/16/10	Sue Lerdal (1-7794)
Environmental Protection Commission	8/17/10	Deb Kozel (1-6767)
Disproportionate Minority Confinement Implementation Committee	8/19/10	Beth Lenstra (1-6301)
College Student Aid Commission	8/19/10	Dwayne Ferguson (1-6561)
Smart Planning Task Force	8/24/10	Deb Kozel (1-6767)
E911 Council	8/24/10	Jen Acton (1-7846)
Smart Planning Task Force – Information Sharing Group	8/25/10	Deb Kozel (1-6767)
Statewide Interoperability Board	8/25/10	Jen Acton (1-7846)
Board of Corrections	8/27/10	Beth Lenstra (1-6301)
Prevention and Chronic Care Management Advisory Council	8/27/10	Deborah Helsen (1-6764)
Lake Delhi Recover and Rebuild Task Force Meeting	8/27/10	Deb Kozel (1-6767)

This document can be found on the LSA website: <http://www.legis.state.ia.us/Fiscal/fiscupdt/>